

FRAUD AGAINST N H SENIORS

NEW HAMPSHIRE'S SENIORS HAVE A SPECIAL NEED FOR FINANCIAL SECURITY AND THEIR CONCERN ABOUT BURDENING THEIR FAMILIES MAKE THEM INVITING TARGETS FOR INSURANCE FRAUD AND MISREPRESENTATION. UNSCRUPULOUS AGENTS HAVE BEEN KNOWN TO SINGLE OUT SENIORS WHO ARE VULNERABLE TO HIGH-PRESSURE TACTICS AND MISLEADING SALES PITCHES. You can reach the NH Insurance Dept Complaint line by dialing toll free 1-800-852-3416

*HERE'S SOME SIGNS OF POTENTIAL FRAUD AND MISREPRESENTATION, ALONG WITH TIPS ON HOW TO PROTECT YOURSELF:

*AN AGENT OR OTHER INSURANCE SALES REP URGES YOU TO PAY CASH.

Pay only by check or money order made out to the insurance company or insurance agency—not to the individual agent.

*A SALES PERSON OR TELEPHONE CALLER CLAIMING TO BE FROM MEDICARE OR THE SOCIAL SECURITY ADMINISTRATION MAKES AN INSURANCE SALES PITCH.

This is against the law! Get as much information as possible and file a complaint with the NH Insurance Department against anyone who claims to be from Medicare, SSA or any government agency and tries to sell you insurance.

*SOMEONE USES HIGH-PRESSURE TACTICS SUCH AS TELLING YOU THIS IS YOUR LAST CHANCE AT A SPECIAL DEAL OR APPEALING TO YOUR SYMPATHY WITH A HARD-LUCK STORY.

Ask someone you trust to be present during an agent's visit to your home. Don't buy on the first visit.

*YOU RECEIVE A MAILER OFFERING SPECIAL INFORMATION ON SOCIAL SECURITY OR NEW FEDERAL TAX LAWS IF YOU'LL JUST RETURN A POST CARD. THE MAILER LOOKS AS IF IT CAME FROM THE GOVERNMENT AND MIGHT EVEN HAVE A WASHINGTON, D C , RETURN ADDRESS.

Before giving out any information about yourself, be aware that the card may bring an agent to your door with an unwanted—and possibly high-pressure—sales pitch.

*YOU ARE TOLD YOU NEED AN INSURANCE POLICY TO AVOID BURDENING YOUR FAMILY.

Resist appeals to guilt. Buy only the insurance you need and CAN AFFORD.

*A SALESPERSON URGES YOU TO CASH IN YOUR CERTIFICATES OF DEPOSIT (DESPITE THE INTEREST PENALTY) AND PUT THE MONEY INTO INVESTMENTS, ANNUITIES OR LIFE INSURANCE POLICIES.

Seek advice from your accountant, attorney, financial advisor, or trusted friend or relative before committing to any unsolicited investment. That *investment* might well be a life insurance policy or an annuity. Interest rates on life insurance policies should not be compared to yields on CDs or other financial investments. This is because part of every premium dollar goes to cover the costs of the insurance (death benefits). True yields on life insurance policies might actually be negative for the first 3 to 5 years or so. Read life insurance policies carefully to understand how the cash value is calculated and what the early withdrawal penalties are. Remember that the primary purpose of life insurance is to replace a family's income if a breadwinner dies prematurely. Life insurance rates can be quite high for people past retirement. In the case of annuities, pay special attention to the pay-out starting date and what would happen should you die before or during the pay-out period.

*A SALESPERSON URGES YOU TO CASH IN YOUR EXISTING LIFE INSURANCE POLICIES AND INVEST THE CASH VALUE IN NEW ONES THAT SUPPOSEDLY WILL YIELD A HIGHER RETURN OR PROVIDE MORE INSURANCE.

This practice—called *churning*—may harm the policyholder financially, since the cash value of the new policy will build very slowly. If you bought the original policy at an earlier age, the new policy might cost more and offer less coverage. In addition, if you should die during the first two years of a new policy, the insurance company can contest claims for the death benefits. Many companies pay larger commissions to agents for new policies than for renewals. Ask yourself whether the agent has your best interest in mind or is just shooting for a higher commission.

**THE N H DEPARTMENT OF INSURANCE PARTICIPATES IN THE STATEWIDE
'PROTECTING QUALITY HEALTH CARE' PROGRAM. THIS PROGRAM WORKS IN
PARTNERSHIP WITH NH HELPLINE AND HICEAS (HEALTH INSURANCE COUNSELING
EDUCATION AND ASSISTANCE SERVICES).**

N H HELPLINE: 1 800 852-3388
